

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of-----) DOCKET NO. 2008-0274
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to)
Investigate Implementing a)
Decoupling Mechanism for Hawaiian)
Electric Company, Inc., Hawaii)
Electric Light Company, Inc., and)
Maui Electric Company, Limited.)

PUBLIC UTILITIES
COMMISSION

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FILED

THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM'S
MEMORANDUM IN SUPPORT OF THE MOTION FOR INTERIM APPROVAL OF A
DECOUPLING MECHANISM FOR HAWAIIAN ELECTRIC COMPANY, INC., HAWAII
ELECTRIC LIGHT COMPANY, INC., AND MAUI ELECTRIC COMPANY, LIMITED

AND

CERTIFICATE OF SERVICE

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**THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM'S
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On November 25, 2009, Hawaiian Electric Company, Inc. ("HECO"), Hawaii Electric Light Company, Inc. ("HELCO"), and Maui Electric Company, Ltd. ("MECO"), collectively the "HECO Companies", filed a motion with the Public Utilities Commission for an interim approval of a decoupling mechanism for the HECO Companies pursuant to Section 6-61-41 of the Rules of Practice and Procedure Before the Public Utilities Commission, Title 6, Chapter 61 of the Hawaii Administrative Rules, and Sections 269-6(a), 269-6(b) and 269-7 of the Hawaii Revised Statutes (HRS). The Department of Business, Economic Development, and Tourism ("DBEDT"), by and through its Director ("Director") in his capacity as the Energy Resources Coordinator ("ERC"), through

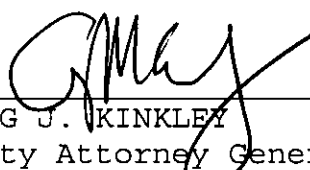
the undersigned Deputy Attorney General,, hereby submits to the Hawaii Public Utilities Commission ("Commission" or "PUC") its Memorandum in Support of the HECO Companies' Motion for Interim Approval of a Decoupling Mechanism effective in January 1, 2010 for HECO, effective in the August 2010 timeframe for MECO, and effective in the October 2010 timeframe for HELCO.

The HECO Companies' proposed interim decoupling mechanism is the same as the decoupling mechanism jointly proposed by the HECO Companies and the Consumer Advocate ("CA") with slight modifications that further enhance the consumer protection features of the RAM component of the proposed interim decoupling mechanism. These modifications include: (1) the use of only one RBA account; (2) the refund of disallowed baseline capital projects with interest; and (3) the inclusion of an interim performance metric for HECO. The HECO motion did not include interim performance metrics for MECO and HELCO, as DBEDT understands that the expectation is that the Commission's final decision and order on this docket, which will resolve the issue on performance metrics, will be issued before the August-October 2011 timeframe when the interim decoupling for MECO and HELCO is proposed to become effective. DBEDT supports the approval of the decoupling mechanism with the above modifications on an interim basis as proposed in HECO's motion.

As indicated on page 20 of the HECO Companies' motion, at footnote 34, item 6, DBEDT anticipates that the Commission would issue its final decision and order in this docket on the issues raised in this docket, including the final form of a decoupling mechanism; the linking of the RAM component to a performance metric; the ECAC-related issues; inclusion of service reliability standards (SAIDI); the determination of the major capital projects to include in the rate base RAM component; the use of the authorized labor O&M costs (unadjusted) in determining the O&M component of RAM; and the review and evaluation process for the decoupling mechanism that may be adopted and approved by the Commission in this docket. DBEDT's post hearings briefs (Opening and Final Briefs) provide complete discussions of DBEDT's positions and recommendations on these issues. DBEDT's support of HECO's motion for the approval of a decoupling mechanism on an interim basis neither conflicts with nor overrides DBEDT's positions and recommendations on these issues raised in the docket. DBEDT anticipates, as is reflected

in the HECO Companies' motion, that the Commission's final decision and order in this docket will address and resolve these issues.

DATED: Honolulu, Hawaii, December 3, 2009.



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Certificate of Service

I hereby certify that I have served a copy of the Department of Business, Economic Development, and Tourism's Memorandum in Support of the HECO Companies' Motion for Interim Approval of a Decoupling Mechanism, by electronic transmission on the date of signature to each of the parties listed below.

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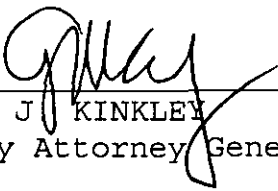
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